

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION

FILED  
HONORABLE HENRY J. BOROFF  
2003 APR 17 12 13 33

In re:

GRETAG IMAGING, INC.

Debtor

Chapter 7

Case No. 03-40225-HJB

**TRUSTEE'S MOTION FOR ORDER AUTHORIZING AND APPROVING PRIVATE  
SALE OF PROPERTY OF THE ESTATE (HOLYOKE, MASS. REAL ESTATE) FREE  
AND CLEAR OF LIENS AND ENCUMBRANCES**

To the HONORABLE HENRY J. BOROFF, U.S. Bankruptcy Judge:

Now comes David W. Ostrander, Chapter 7 Trustee in the above captioned case ("Trustee"), by his counsel, and requests that the Court authorize him to sell the Debtor's real estate located at 361 Whitney Avenue, Holyoke, Massachusetts (the "Holyoke Real Estate") to O'Connell Development Group ("ODG") for the price of \$5.7 million (\$5,700,000.00), free and clear of liens and encumbrances. In support of this motion, the Trustee respectfully represents as follows:

1. The Debtor filed a Chapter 7 Voluntary Petition on January 13, 2003 (the "Petition Date").
2. David W. Ostrander, Esq. was appointed Chapter 7 Trustee and continues in that capacity.
3. The Meeting Of Creditors took place on February 20, 2003.
4. On January 22, 2003, the Trustee a Motion For Authority To Operate Business for the purpose of conducting an orderly liquidation of the Debtor's assets in order to maximize the return for creditors.
5. On February 12, 2003, the Court entered an "Agreed Order" on the Trustee's Motion For Authority To Operate Business which had been negotiated between the Trustee and Eastman Kodak Company ("Kodak") which claims to hold a perfected security interest in the Debtor's assets to secure an obligation owed in the amount of approximately \$19 million dollars. Since that date, the Trustee,

primarily with the assistance of the former president and chief financial officer of the Debtor, has taken steps to secure and sell assets of the Debtor, among many other administrative tasks.

6. The Holyoke Real Estate is the former headquarters of the Debtor. The Debtor purchased the Holyoke Real Estate in May, 2000 from John Hancock Life Insurance Company for the price of **\$5 million**.
7. The Holyoke Real Estate consists of approximately 200,000 square feet divided between office space, light manufacturing space and shipping/warehouse space. The City of Holyoke has assessed the Holyoke Real Estate at a value of **\$5,560,800**.
8. The Holyoke Real Estate is subject to a mortgage to Banknorth with an amount due of approximately \$3 million<sup>1</sup>. In addition, Banknorth may have incurred additional charges for obtaining "forced placed insurance" for the Holyoke Real Estate.
9. The City of Holyoke has a statutory lien for real estate taxes and water/sewer charges owed by the Debtor. According to a recently issued Fiscal Year 2003 Real Estate Tax Bill issued by the City, approximately \$111,340 is currently due by the Debtor for real estate taxes.
10. Almost from the Petition Date, there has been significant interest in the Holyoke Real Estate by various prospective purchasers and brokers. Many prospective purchasers and brokers have viewed the Holyoke Real Estate on at least one occasion. To the extent known, those prospective purchasers are being served by this Motion and Notice of sale. Upon information and belief, all prospective purchasers and/or brokers have been listed.
11. ODG, however, is the only prospective purchaser to have made an offer for the Holyoke Real Estate. As stated above, ODG has offered to purchase the Holyoke

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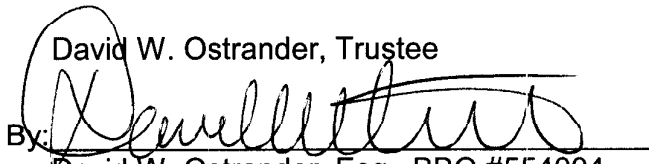
<sup>1</sup> On January 9, 2003, Banknorth setoff approximately \$2,688,000 from certain accounts maintained by the Debtor at Banknorth and applied those funds to two promissory notes, secured by the mortgage, owed to Banknorth by the Debtor. The Trustee and counsel to Banknorth have discussed whether the setoff is a preferential transfer but have agreed to delay further action on the issue pending the sale of the Holyoke Real Estate.

Real Estate for the price of **\$5.7 million**. A copy of the offer is attached as **Exhibit A**. The purchase price is for the real estate, buildings and improvements, but not for any personal property of the Debtor, except for a steel structure known as the "mezzanine" in the shipping/warehouse section of the building. The mezzanine conceivably could be dismantled without damage to the real estate and, therefore, considered personal property. ODG's offer makes clear, however, that the mezzanine is included in the purchase price being offered.

12. The Trustee believes that the proposed sale price is reasonable. Moreover, the offer by ODG has been procured without the assistance of a broker thus saving the Estate the expense of a broker commission which would have been significant administrative expense based on even a five percent commission.
13. The proposed sale is to be made free and clear of liens and encumbrances. Any perfected, enforceable, valid liens shall attach to the proceeds of the sale according to priorities established under applicable law. Upon information and belief, only Banknorth and the City of Holyoke have liens that would attach to the sale proceeds of the Holyoke Real Estate.

**WHEREFORE**, the Trustee requests that the Court enter an Order authorizing him to sell the Holyoke Real Estate, as set forth herein, and for such other relief that is just and proper.

Dated: April 16, 2003

David W. Ostrander, Trustee  
By:   
David W. Ostrander, Esq., BBO #554004  
Ostrander Law Office  
36 Service Center Road  
P.O. Box 1237  
Northampton, MA 01061-1237  
T: (413) 585-9300 F: (413) 585-9490



O'CONNELL DEVELOPMENT GROUP  
480 Hampden Street, P.O. Box 867, Holyoke, MA 01041-0867  
413-534-0243 • FAX 413-538-6179

APR 8 '03 RCVD

April 7, 2003

VIA OVERNIGHT DELIVERY

Mr. David W. Ostrander, Esquire  
Ostrander Law Office  
36 Service Center Road  
Northampton, MA 01060

**RE: Gretag Imaging, Inc., Chapter 7, Case No. 03-40225-HJB**

Dear Attorney Ostrander:

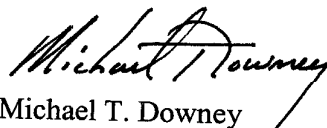
By this letter we give formal notice of our bid of \$5,700,000 for all of the real estate, buildings and improvements, located at 361 Whitney Avenue, Holyoke, Massachusetts. We are including the mezzanine in this bid so please note that. We have no interest in any inventory.

We are ready to proceed to a closing immediately and other than a satisfactory 21-E Phase I investigation we have no contingencies to close.

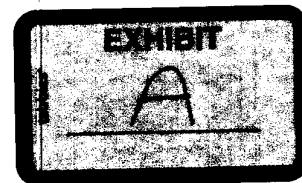
After your review of this price, please call so I may know what the next steps in the process will be. You may reach me at our offices in Holyoke (413) 534-0243 or my cell (413) 531-1733.

I thank you for your cooperation in this matter and look forward to hearing from you.

Very truly yours,

  
Michael T. Downey  
President

Clb  
CC: Robert Cunningham, Esq.



**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION**

In re:

GRETAG IMAGING, INC.

Debtor

Chapter 7

Case No. 03-40225-HJB

**CERTIFICATE OF SERVICE**

I, David W. Ostrander, do hereby certify that I served a copy of the Trustee's Motion For Order Authorizing And Approving Private Sale Of Property Of The Estate Free And Clear Of Liens And Encumbrances on the following, as well as those parties listed on the attached Service List, by first class mail, postage prepaid, on April 16, 2003:

Office of the U.S. Trustee  
600 Main Street, Suite 200  
Worcester, MA 01608

Philip J. Hendel, Esq.  
Counsel To Debtor  
Hendel & Collins, P.C.  
101 State Street  
Springfield, MA 01103

Robert P. Cunningham, Esq.  
Robinson Donovan Madden & Barry, P.C.  
1500 Main Street, Suite 1600  
P.O. Box 15609  
Springfield, MA 01115-5609

Daniel McGuire, Esq.  
Counsel to Eastman Kodak Co.  
Winston & Strawn  
35 West Wacker Drive, 42nd Floor  
Chicago, IL 60601

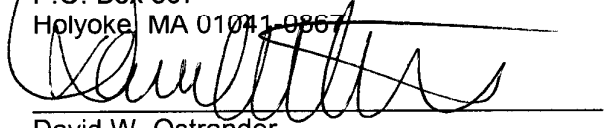
John J. Driscoll, Esq.  
Counsel To Banknorth  
Resnic Beauregard Waite & Driscoll  
330 Whitney Avenue, Suite 400  
Holyoke, MA 01040

Arnold Greenhut, Esq.  
Counsel To Arrow Machine, LLC  
Rosen, Greenhut, Catuogno & Low  
244 Bridge Street  
Springfield, MA 01103

Charles P. Schulman, Esq.  
Counsel To Siemens Financial Services, Inc.  
Sachnoff & Weaver, Ltd.  
30 South Wacker Drive, Suite 2900  
Chicago, IL 60606

Mitchell Levine, Esq.  
Counsel To Citicorp Vendor Finance, Inc.  
Nair & Levin, P.C.  
707 Bloomfield Avenue  
Bloomfield, CT 06002

Mr. Michael Downey  
O'Connell Development Group  
480 Hampden Street  
P.O. Box 867  
Holyoke, MA 01041-0867

  
David W. Ostrander  
Ostrander Law Office  
P.O. Box 1237  
Northampton, MA 01061-1237  
T: (413) 585-9300 F: (413) 585-9490

**GRETAG IMAGING, INC. CHAPTER 7, CASE NO. 03-40225-HJB  
TOP 20 UNSECURED CREDITORS AND TAXING AUTHORITIES**

UBS AG  
P.O. Box CH-8098  
Zurich, Switzerland

GRETAG IMAGING TRADING AG  
Althardstrasse 70  
Rengensdorf, CH-8105  
Switzerland

AMERICAN STORES  
15100 North 90<sup>th</sup> Street  
Scottsdale, AZ 85260

GAMA DAN EQUIP  
Refrema International  
Industrivej 11-13  
Soroe, Denmark dk-4180

PIXEL PHOTOGRAPHICS  
Locked Bag 5  
East Bentleigh  
Victoria, Australia 3165

THOMAS ELECTRONICS, INC.  
100 Riverview Drive  
Wayne, NJ 07470

AMERICAN EXPRESS COMPANY  
Suite 0001  
Chicago, IL 60679-0001

MILLRITE MACHINE, INC.  
587 Southampton Road  
Westfield, MA 01085

IORE MACHINE, INC.  
P.O. Box 51972  
140 Michon Street  
Indian Orchard, MA 01151

LABTECH GMBH (LTG)  
Rontgenstrasse 10  
D-40699 Erkrath 2  
Erkrath, Germany

IRS Bankruptcy Unit  
Insolvency Group, Stop 20800  
JFK P.O. Box 9112  
Boston, MA 02203

WALGREENS  
200 Wilnot Road  
Deerfield, IL 60015

GRETAG SAN MARCO  
Post Office Box 228  
1-33170  
Pordenone, Italy

GRETAG SYSTEL  
30030 Olmo Di Martellago  
Via Dosa 1  
Venezia, Italy

AGFA-GEVAERT AG  
Tegemseer Landstr. 161  
81539 Muechen  
Switzerland

PEMSTAR, INC.  
SDS 12-1061  
P.O. Box 86  
Minneapolis, MN 55486-1961

KYOCERA AMERICA INC.  
8611 Balboa Avenue  
San Diego, CA 92123

INCOM, INC.  
P.O. Box 3480  
Boston, MA 02241-3480

SCHNEIDER FREIGHT USA INC.  
145<sup>TH</sup> Avenue & Hook Creek  
Bldg C-1 (G)  
Valley Stream, NY 11581

OPTICAL COATING LABORATORY  
2789 Northpoint Parkway  
ATTN: Kathi Czahar  
Santa Rosa, CA 95407

DYNA-FAB  
P.O. Box 80  
Accord Station  
Hingham, MA 02018

Mass. Dept. Of Revenue  
Bankruptcy Unit  
P. O. Box 9484  
Boston, MA 02205-9484

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**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF MASSACHUSETTS**  
**WESTERN DIVISION**

In re:

GRETAG IMAGING, INC.

Debtor

Chapter 7

Case No. 03-40225-HJB

**PROSPECTIVE PURCHASERS AND/OR BROKERS SERVICE LIST**

**REAL ESTATE LOCATED AT 361 WHITNEY AVENUE, HOLYOKE, MASSACHUSETTS**

Mr. Mel Cutler  
306 Main Street  
Worcester, MA 01608

Mr. Christopher Nesbitt  
Scitech Plastics  
62 Central Street  
West Brookfield, MA 01585

Marox Company  
Whitney Avenue  
Holyoke, MA 01040

Mr. Tony Izzo  
AFI Inc.  
2150 Post Road  
Fairfield, CT 06430

Mr. Don Cook  
Permalin Manufacturing  
Valley Paper Drive  
Holyoke, MA 01040

Burton Resnic, Esq.  
Resnic Beauregard Waite & Driscoll  
330 Whitney Avenue, Ste 400  
Holyoke, MA 01040

Mr. Eli Schepps  
Mastex Industries  
Bigelow Street  
Holyoke, MA 01040

Mr. Robert D. Beguelin  
Hart Corporation  
30 Tower Lane  
Avon, CT 06001-4231

Mr. Mitchel Bolotin  
Colebrook Realty Services Inc.  
1441 Main Street  
Springfield, MA 01103

MAILED  
APR 17 10 06 AM '03  
U.S. BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION**

In re:

GRETAG IMAGING, INC.

Debtor

Chapter 7

Case No. 03-40225-HJB

**NOTICE OF INTENDED PRIVATE SALE OF ESTATE PROPERTY, DEADLINE FOR  
SUBMITTING OBJECTIONS AND HIGHER OFFERS AND HEARING DATE**

To Creditors and Parties in Interest:

1. Notice is hereby given, pursuant to Section 363 of the Bankruptcy Code, Federal Rule of Bankruptcy Procedure 2002(a)(2) and 6004, and Local Bankruptcy Rules of the United States Bankruptcy Court for the District Of Massachusetts 2002-5 and 6004-1, that David W. Ostrander as Chapter 7 Trustee ("Trustee") in the above captioned case, intends to sell at private sale the Debtor's right, title and interest in certain property of the estate consisting of the following:

The real estate, including building and improvements located at 361 Whitney Avenue, Holyoke, Massachusetts, including the structure located in the shipping/warehouse area of the building known as the "mezzanine" (hereafter the "Holyoke Real Estate").

2. The Trustee has received an offer to purchase the Holyoke Real Estate from O'Connell Development Group ("ODG") of Holyoke, MA for the amount of five million, seven hundred thousand dollars (\$5,700,000.00) as a cash offer. The relationship of the proposed buyer to the Trustee is: NONE.
3. The sale shall place forthwith after the allowance of the motion requesting Court authority to sell the Holyoke Real Estate. A Purchase and Sale Agreement will be executed by the Trustee and ODG upon confirmation that ODG is the successful bidder for the Holyoke Real Estate. The proposed buyer has paid a deposit in the amount of \$285,000 representing five percent (5%) of the proposed purchase price. The terms of the proposed sale are more are more particularly described in



the Trustee's Motion For Order Authorizing And Approving Private Sale Of Property Of The Estate Free And Clear Of Liens And Encumbrances (the "Motion") filed contemporaneously with this Notice, a copy of which has been enclosed.

4. The Holyoke Real Estate will be sold free and clear of all liens, claims and encumbrances. Any perfected, enforceable, valid liens shall attach to the proceeds of the sale according to priorities established under applicable law.
5. Any objections to the sale and/or higher offers shall be filed in writing with the Clerk, United States Bankruptcy Court, 595 Main Street, Worcester, MA 01608, on or before **Friday, May 9, 2003, at 4:30 P.M.** (the "Objection Deadline"). A copy of any objection or higher offer shall be served on the undersigned. Any objection to the sale must state with particularity the grounds for the objection and why the intended sale should not be authorized. Any objection to the sale shall be governed by Fed. R. Bankr. P. 9014.
6. Through this Notice, higher offers for the Sienna Assets are hereby solicited. Any higher offer must be accompanied by a cash deposit of two hundred and eighty-five thousand dollars (\$285,000) in the form of a certified or bank check made payable to "David W. Ostrander, Trustee". The higher offer should be submitted to the Bankruptcy Court with a copy of the check. A copy of the higher offer should be submitted with the actual check to the undersigned. Higher offers must be on the same terms and conditions.
7. A hearing on the Motion To Approve Sale, objections or higher offers is scheduled to take place on **Wednesday, May 14, 2003, at 11:30 A.M.** before the Honorable Henry J. Boroff, United States Bankruptcy Judge, Federal Building, 1550 Main Street, Second Floor, Springfield, MA 01103. Any party who has filed an objection or higher offer is expected to be present at the hearing, failing which the objection will be overruled or the higher offer stricken. If no objection to the Motion To Approve Sale or higher offer is timely filed, the Bankruptcy Court, in its discretion, may cancel the scheduled hearing and approve the sale without hearing.
8. At the hearing on the sale the Court may 1) consider any requests to strike a higher offer, 2) determine further terms and conditions of the sale, 3) determine

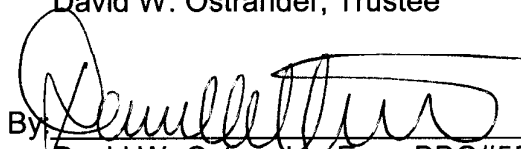
the requirements for further competitive bidding, and 4) require one or more rounds of sealed or open bids from the original offeror and any other qualifying offeror.

9. The deposit will be forfeited to the Estate if the successful purchaser fails to complete the sale by the date ordered by the Court. If the sale is not completed by the buyer approved by the Court, the Court, without further hearing, may approve the sale of the Property to the next highest bidder.
10. Any questions concerning the intended sale shall be addressed to the undersigned.

Respectfully Submitted,

David W. Ostrander, Trustee

Dated: April 16, 2003

By   
David W. Ostrander, Esq., BBO#554004  
Ostrander Law Office  
36 Service Center Road  
P.O. Box 1237  
Northampton, MA 01061-1237  
T: (413) 585-9300 F: (413) 585-9490

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MASSACHUSETTS  
WESTERN DIVISION

In re:

GRETAG IMAGING, INC.

Debtor

Chapter 7

Case No. 03-40225-HJB

**CERTIFICATE OF SERVICE**

I, David W. Ostrander, do hereby certify that I served a copy of the Notice Of Intended Private Sale Of Estate Property, Deadline For Submitting Objections And Higher Offers And Hearing Date on the following, **as well as on those parties listed on the attached Service List**, by mailing, first class, postage prepaid, on April 16, 2003:

Office of the U.S. Trustee  
600 Main Street, Suite 200  
Worcester, MA 01608

Philip J. Hendel, Esq.  
Counsel To Debtor  
Hendel & Collins, P.C.  
101 State Street  
Springfield, MA 01103

Robert P. Cunningham, Esq.  
Robinson Donovan Madden & Barry, P.C.  
1500 Main Street, Suite 1600  
P.O. Box 15609  
Springfield, MA 01115-5609

Daniel McGuire, Esq.  
Counsel to Eastman Kodak Co.  
Winston & Strawn  
35 West Wacker Drive, 42nd Floor  
Chicago, IL 60601

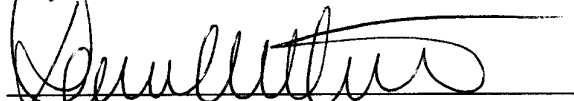
John J. Driscoll, Esq.  
Counsel To Banknorth  
Resnic Beauregard Waite & Driscoll  
330 Whitney Avenue, Suite 400  
Holyoke, MA 01040

Arnold Greenhut, Esq.  
Counsel To Arrow Machine, LLC  
Rosen, Greenhut, Catuogno & Low  
244 Bridge Street  
Springfield, MA 01103

Charles P. Schulman, Esq.  
Counsel To Siemens Financial Services, Inc.  
Sachnoff & Weaver, Ltd.  
30 South Wacker Drive, Suite 2900  
Chicago, IL 60606

Mitchell Levine, Esq.  
Counsel To Citicorp Vendor Finance, Inc.  
Nair & Levin, P.C.  
707 Bloomfield Avenue  
Bloomfield, CT 06002

Mr. Michael Downey  
O'Connell Development Group  
480 Hampden Street  
P.O. Box 867  
Holyoke, MA 01041-0867



David W. Ostrander  
Ostrander Law Office  
P.O. Box 1237  
Northampton, MA 01061-1237  
T: (413) 585-9300 F: (413) 585-9490

**GRETAG IMAGING, INC. CHAPTER 7, CASE NO. 03-40225-HJB  
TOP 20 UNSECURED CREDITORS AND TAXING AUTHORITIES**

UBS AG  
P.O. Box CH-8098  
Zurich, Switzerland

GRETAG IMAGING TRADING AG  
Althardstrasse 70  
Rengensdorf, CH-8105  
Switzerland

AMERICAN STORES  
15100 North 90<sup>th</sup> Street  
Scotsdale, AZ 85260

GAMA DAN EQUIP  
Refrema International  
Industrivej 11-13  
Soroe, Denmark dk-4180

PIXEL PHOTOGRAPHICS  
Locked Bag 5  
East Bentleigh  
Victoria, Australia 3165

THOMAS ELECTRONICS, INC.  
100 Riverview Drive  
Wayne, NJ 07470

AMERICAN EXPRESS COMPANY  
Suite 0001  
Chicago, IL 60679-0001

MILLRITE MACHINE, INC.  
587 Southampton Road  
Westfield, MA 01085

IORE MACHINE, INC.  
P.O. Box 51972  
140 Michon Street  
Indian Orchard, MA 01151

LABTECH GMBH (LTG)  
Rontgenstrasse 10  
D-40699 Erkrath 2  
Erkrath, Germany

IRS Bankruptcy Unit  
Insolvency Group, Stop 20800  
JFK P.O. Box 9112  
Boston, MA 02203

WALGREENS  
200 Wilnot Road  
Deerfield, IL 60015

GRETAG SAN MARCO  
Post Office Box 228  
1-33170  
Pordenone, Italy

GRETAG SYSTEL  
30030 Olmo Di Martellago  
Via Dosa 1  
Venezia, Italy

AGFA-GEVAERT AG  
Tegemseer Landstr. 161  
81539 Muechen  
Switzerland

PEMSTAR, INC.  
SDS 12-1061  
P.O. Box 86  
Minneapolis, MN 55486-1961

KYOCERA AMERICA INC.  
8611 Balboa Avenue  
San Diego, CA 92123

INCOM, INC.  
P.O. Box 3480  
Boston, MA 02241-3480

SCHNEIDER FREIGHT USA INC.  
145<sup>TH</sup> Avenue & Hook Creek  
Bldg C-1 (G)  
Valley Stream, NY 11581

OPTICAL COATING LABORATORY  
2789 Northpoint Parkway  
ATTN: Kathi Czahar  
Santa Rosa, CA 95407

DYNA-FAB  
P.O. Box 80  
Accord Station  
Hingham, MA 02018

Mass. Dept. Of Revenue  
Bankruptcy Unit  
P. O. Box 9484  
Boston, MA 02205-9484

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306 Main Street  
Worcester, MA 01608

Mr. Christopher Nesbitt  
Scitech Plastics  
62 Central Street  
West Brookfield, MA 01585

Marox Company  
Whitney Avenue  
Holyoke, MA 01040

Mr. Tony Izzo  
AFI Inc.  
2150 Post Road  
Fairfield, CT 06430

Mr. Don Cook  
Permalin Manufacturing  
Valley Paper Drive  
Holyoke, MA 01040

Burton Resnic, Esq.  
Resnic Beauregard Waite & Driscoll  
330 Whitney Avenue, Ste 400  
Holyoke, MA 01040

Mr. Eli Schepps  
Mastex Industries  
Bigelow Street  
Holyoke, MA 01040

Mr. Robert D. Beguelin  
Hart Corporation  
30 Tower Lane  
Avon, CT 06001-4231

Mr. Mitchel Bolotin  
Colebrook Realty Services Inc.  
1441 Main Street  
Springfield, MA 01103

FILED  
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MASSACHUSETTS  
HOLYOKE